

House State & Local Government Committee Amendment No. 2

Amendment No. 2 to HB2672

Jones U (Shel)
Signature of Sponsor

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 2282*

House Bill No. 2672

by adding, after Section 1, the following new section, and by renumbering subsequent sections appropriately:

SECTION 2. Tennessee Code Annotated, Section 13-20-104, is amended by adding the following new, appropriately designated subsection:

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(1) The city or county for which a housing authority is created may delegate to such housing authority the authority to negotiate and accept from the housing authority's lessees payments in lieu of ad valorem taxes; provided, that such authorization shall be granted only upon a finding that such payments are deemed to be in furtherance of the housing authority's public purposes. The legislative body of the city or county making such delegation may, in its sole discretion, require the housing authority to submit any such agreement to such legislative body for its approval.

(2) An agreement for payment in lieu of taxes shall contain such terms and conditions as the housing authority may determine, which may include, but shall not be limited to, provisions to:

(A) Defer and/or subordinate payment of all or a portion of the payment in lieu of taxes to such future time as the housing authority may determine;

(B) Require interest to accrue on such deferred amount;

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(C) Require that payments in lieu of taxes, including any interest, expenses, or costs of collection of same, shall be secured by a deed of trust upon the project; or

(D) Provide that such deed of trust may be subordinate to other liens or indebtedness of the project.

(3) Before October 1 of each year, the housing authority shall submit to the state board of equalization an annual report containing a list of all the real and personal property owned by the housing authority and its associated entities and subsidiaries with respect to which payments in lieu of ad valorem taxes have been negotiated and accepted; the value of each listed property, as estimated by the lessee of the property; the date and term of the lease for each listed property; the amount of payments made in lieu of property taxes for each listed property; the date each listed property is scheduled to return to the regular tax rolls; and a calculation of the taxes which would have been due for each listed property if the properties were privately owned or otherwise subject to taxation. Each lessee of the housing authority shall be responsible for the timely completion and filing of the report, and failure to timely complete and file the report shall subject such lessees to a penalty equivalent to that applicable to similar lessees of industrial development corporations; provided, that no lessee shall be liable who has provided the state board

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of equalization information required by this section as may be pertinent to
property leased by the lessee from the housing authority.